

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)
8TH FLOOR CONFERENCE ROOM
CITY HALL**

TUESDAY, APRIL 8, 2003 - 3:00 P.M.

Mayor Naugle called the meeting to order at approximately 3:03 p.m. Roll was called and a quorum was present.

Present: Mayor Naugle
Commissioner Teel
Commissioner Trantalis
Commissioner Hutchinson
Commissioner Moore

Absent: None

Also Present: Assistant City Manager, Bud Bentley
City Attorney
Assistant City Clerk

Dorsey Phase II Infill Home Project Development RFP

Kim Jackson, Community Redevelopment Agency Director, stated that on November 17, 2002, the CRA Board had approved the issuance of the Dorsey RFP. A Selection Committee had been put in place to review the proposals. She stated that the 3 short-listed firms were as follows: DeAngelo Development, Inc.; CCB/Broward Barron; and Alpha South Construction, Inc. She explained that the Selection Committee had ranked DeAngelo as No. 1. She further stated that the CRA Advisory Board had additional presentations from all 3 firms, and after having received additional input, they had re-ranked the firms and suggested that a split be made and an award of 10 units be made to CCB/Broward Barron and 6 units to DeAngelo Development, Inc.

Ms. Jackson further stated that another provision was that the architects, which the CRA had on retainer, review the construction drawings and provide some form of oversight in regard to the actual product. She reiterated that this Board had the final authority on how the units should be allocated. She explained there were 10 CRA lots and 6 City lots, and they did anticipate that all 16 lots would go out for development at this time.

Mayor Naugle asked if a 3-minute presentation could be given by the two firms.

Presentation by DeAngelo Development, Inc.

Willie McNair, President of DeAngelo Development, stated that with this project they hoped to create a desire for home ownership in the Dorsey Riverbend area. He proceeded to explain the models that would be offered to the purchasers. He explained the prices of the homes would range from \$93,900 to \$132,900. He further stated their standard features would include: vaulted ceilings, double-sinks, design-like fixtures, smoke detectors, cable television, alarm systems, washers and dryers, and semi-gloss paint would be used on the walls. He also distributed photographs of homes that they were presently constructing in the Dorsey Riverbend area, along with houses they had completed in other communities. He thanked the City for permitting them to bring into the City an exciting product into a mature and much needed community for redevelopment. He stated they always attempted to bring in a unique concept to help develop pride in home ownership.

Presentation by CCB/Broward Barron

Bob Young, Bob Young Builders, Inc., stated that they had in this area since 1958, and had begun building in Broward County in 1978. He stated they had built homes in Dorsey Heights and Pompano Beach and then proceeded to have his team introduce themselves as follows: Charlie Ladd of Broward Barron; Pamela Adams of CCB Development, and Mitch Kunik with Affinity Architects.

Mitch Kunik, Affinity Architects, stated that they wanted to create variety in the overall street and units. He explained they were beginning with a Model Home Program illustrating the options available.

Mr. Young explained their office was located at 1120 NW 6th Street and wanted to do whatever possible to help enhance the community, and they appreciated the City allowing them to do this project.

Mayor Naugle stated the information he had received was dated April 8, 2003. Mr. Young explained they had just redone their information. Mayor Naugle asked if he could have a copy of the original proposal that had been submitted.

Commissioner Hutchinson asked if there were porches and garages on all the models and had that been a requirement of the RFP. She was informed that the porches and garages were part of the RFP and were depicted in the floor plans.

Madison Riley, prospective home buyer, asked the price range for the Bob Young homes. Mr. Young stated they began at \$110,000 and they had full sets of plans for the prospective buyers to review. Mayor Naugle asked if the architects had been changed since the original submittal.

Charlie Ladd, Broward Barron, Inc., stated that he believed Affinity Architects had been added late in the process because they felt it was important to bring in a leading designer so the project could be done right. Mayor Naugle asked if they had switched architects after the RFP had been submitted. Mr. Ladd stated they had multiple architects assisting in the planning and he believed Affinity was listed as one of those architects.

Commissioner Moore asked if both architects had been listed in Mr. Young's original submission.

Commissioner Hutchinson asked if there was a specific price range that was requested in the RFP. She was informed that the only requirement in the RFP was that City lots had to meet the requirements.

Ms. Riley stated that she was slightly confused and asked what were the ranking scores of the 3 finalists in the RFP. Mayor Naugle stated that DeAngelo was 95, Broward Barron with 69, and Alpha South had 60.

Commissioner Moore explained that this Board would make the final decision as to what would take place, but the proposed ranking had been done in two ways. One was from a subcommittee which did an evaluation with a point ranking system, and the other review was done by an Advisory Board which had re-ranked the firms.

Jack Stokes had asked who was the third firm. Commissioner Moore stated that Alpha South Construction had been the third listed firm chosen.

Tim Hernandez, CRA Advisory Board member, stated that he had also been a member of the Selection

Committee which had evaluated the proposals. He explained that this committee had met on 3 different occasions and had spent a lot of time reviewing the plans which had been submitted. He stated that there was actually only one proposer which was reflected in the scores given that had been truly responsive to the criteria listed in the RFP. He stated that firm had been DeAngelo Development, Inc. He stated that after the initial submittal dramatic changes had been made by the other group presenting today. He felt if expectations had been set forth as to what was desired for a certain area, and if the initial responses ignored those expectations and requested criteria; he wondered what type of relationship one would be entering into with such a firm in the future. He further stated that DeAngelo Development not only had recessed garages, but also had rear loading garages recognizing the fact that 5 of the lots were on alleys with the remaining being on double-frontage lots. He stated he was a new urbanist and DeAngelo had looked at the neighborhood and how they could best integrate their designs into the area. He explained that 50% of the criteria awarded went towards design. He felt it sent the wrong message to select someone who did not respond to the requested criteria.

Stan Brown, Chairman CRA Advisory Board, stated that subsequent to the meeting of the Selection Committee, 14 of their members met and discussions held, along with presentations being made. He explained that their Board had arrived at various conclusions which had been presented today as recommendations, and they felt there were a number of factors which suggested they should take the position to split the award. He further stated that some of the discussions centered around whether the bidders were responsive to the criteria. He stated there were technical differences among the bidders, but it was within the purview of the Committee to proceed and choose 3. He stated it was their intent to end up with a good project.

Mayor Naugle asked if the presentation made to the Advisory Board had been the original submission to the RFP, the one given today, or was it entirely different. Mr. Brown stated that depending on who they spoke to, the answer was either yes or no. He further stated that in all probability there were differences in the presentations, but he was not sure what those differences encompassed. He explained that they attempted to focus on the material differences, and found there were no specific material differences in their Board meeting. Based on other conversations, he felt there were differences.

Mayor Naugle clarified that the presentations made were with the benefit of seeing what the other bidders had submitted in January. Mr. Brown felt that would be a fair assumption for all 3 bidders.

Commissioner Trantalis asked if the ratings had changed during subsequent presentations between the 3 bidders. Mr. Brown replied they had changed. Commissioner Trantalis asked what the different ratings had been. Ms. Jackson stated they had not re-rated them, and explained that it was not suggested the Advisory Board re-rank the firms because they did not have the evaluation criteria nor the number system which the Selection Committee had at its disposal. She explained they were reviewing the selection criteria numbers and hearing presentations. She stated they had only put the firms in order of preference, but no new number assignments had been made by the Advisory Board.

Commissioner Trantalis asked if there had been a more subjective approach to the selection, than the objective approach at the first time around. Ms. Jackson stated that clearly the Advisory Board had less information than the Selection Committee and had less time dedicated to the process. She explained the Advisory Board had verbal and visual presentations from all 3 bidders, but they had not gone through the entire process. Commissioner Trantalis asked what had changed their minds. Mr. Brown stated that there were several things, and one was taking a broader look at the matter. He explained there was a presumption that the architect of the first firm ranked had reasonably responded to the RFP. He stated they had also considered the broader aspects on how to use this project because there were actually 150 lots in the area. He stated its vote was 9-5 or somewhere in that area.

Mayor Naugle stated that he would prefer to have the minutes from that meeting so they could have the necessary information at its disposal.

Mr. Brown stated that they wanted to move this project forward and make sure that model homes would be available, along with the knowledge of knowing the project was well financed and sustainable. He stated they did not want to limit themselves to the technical response used by the Selection Committee.

Commissioner Moore thanked all 7 bidders who had answered the RFP, and was elated with the 3 chosen firms. He stated that the elevations shown from the proposals were exciting and stated he had not seen such interest in home development in the Northwest area in a long time. He stated that the only individual who had ever "stepped up to the plate" to redevelop or offer housing to the community had been Bob Young. He stated that the residents would be excited with the competition being offered. He further stated that in reviewing both presentations offered today, from a committee perspective; he felt the RFP missed what he always had asked for which was model homes developed on empty lots owned by the City CRA. He explained that he wanted the model homes because there had never been speculative home building in that area. He further stated that what they found over and over was that there was one candidate who went through the Housing Finance Authority or through the City's Program for First Time Home Ownership, and they receive downpayment assistance and a developer/contractor developed a home for that person. He stated it was successful, but a very slow process. He continued stating that there were well over 200 lots in the northwest quadrant within the CRA target that were undeveloped, and there were more than 200 lots that could be acquired due to increment or bonding and models which individuals could see.

Commissioner Moore stated further that most individuals of African descent were visual and they had not had the opportunity to see the kind of development being proposed. He stated that DeAngelo Development was presently building a home at the corner of 5th Street and 15th Terrace which was a "spec" home. He was stating that he believed there would be an opportunity of bringing in a higher income earner to the community to purchase the home. He explained that he had not been satisfied with the RFP because it had not stressed the fact that there would be model homes which would allow individuals to look at them and decide on their preferences. He stated he wanted more than one developer because competition made America work.

Commissioner Moore stated the bottom line was personal preference. He stated that the Advisory Board was a group of volunteer individuals who were asked to give their input on this matter. He asked how many people on the Advisory Board or on the CRA Board would consider purchasing one of the proposed homes. He stated that would only be possible if there was a mixture of different elevations and allow the prospective homeowners walk on the site and see what was being offered. He explained by narrowing the prospect of who would show the elevations, they would be narrowing the opportunity of the consumer building a home more quickly. He stated he was disappointed in the fact that it had taken over 2 years to put this RFP out. He stated there were issues regarding the properties and delays occurred one after the other, but now there were interested buyers and an interested community at the table.

Commissioner Moore stated that DeAngelo Development had the energy and made an investment in communities similar to those proposed in the CRA. He also stated that they had Bob Young who was the pioneer who came into the community and developed housing. He felt all other issues were subjective. He reiterated that competition was an important element in this project. He further asked how many lots were there in the City/CRA which were zoned for housing.

Ms. Jackson explained that the City did not own any lots other than the 5 mentioned, and the CRA owned 11 lots. She explained the CRA did own some commercial lots.

Faye Outlaw stated that she believed there were approximately 100 lots, but not all were buildable.

Commissioner Moore asked if 8 models could be built. He felt the marketplace would drive as to who would be the winner of the process.

Robert McNair, Vice-President of DeAngelo Development, stated that in their opinion the competition was in the RFP. He thought it was a travesty in what was happening. He asked what the 100 homes had to do with the 16 they had bid on. He stated they loved competition and that was the reason they responded to the RFP. He felt to give a firm 3 "shots" to change their proposal was unfair. He stated they had brought in the City Attorney to the meeting and asked about change in enhancement, and according to the Webster Dictionary change was listed as "to make or become different in some way or to put or take something in place of something else as a substitute." Enhance was defined as "making something greater or better." He stated the original plans had not been enhanced and the proposal submitted had been totally different. The presentation on the other firm's behalf had totally changed, but their firm's had not changed and yet they were being penalized for it.

Mr. McNair stated there was also a credit issue involved, and he asked if those questions had been asked of the other developer. He stated that 90% of the homes they built in were affordable housing communities throughout Broward County.

Commissioner Moore stated that in speaking to groups individuals would arrive at different rationales for their conclusions. In listening to both developers, the CRA membership, and hearing the recommendations of 10-6, he wanted to find a way to allow both players to come to the table. He stated there was another way to do this and he had been concerned as to how long it had taken to reach this point. He stated the Advisory Board was just an advisory board. He explained that in looking at the responses to the RFP, they could do one of two things. They could proceed with one or several rankings, or the RFP could be rewritten. He stated he did not want to have the RFP rewritten. He preferred the process be expedient as possible, and allow the opportunity of competition. He stated he agreed with the comments made by Mr. McNair, and he did not differ with having a process which would allow them to have the model homes built.

Kenneth McCleary asked what the cost would be per square foot.

Brenda Kelley, CRA Planning and Design Manager, stated that the only requirement in the RFP was that it be calculated. Mayor Naugle stated that it would be calculated and the information would be given later in the meeting.

Ms. Riley stated that she wanted the homes to be a fair price and did not want to pay more for a house because of competition. Commissioner Moore stated he wanted the buyers to make the choice.

Robert McNair explained that the square footage of the home could be the same, but the design would probably be different. Commissioner Moore reiterated that square footage might not be the deciding factor in choosing the home, and the choices might be made based on materials used, along with other factors.

Tyrone Ashford, Alpha South Construction, stated his firm had not been able to give a presentation today, and they were delighted to have presented their proposal. He stated that since they had been short-listed, he felt they had given justification for some of the items that had been waived. He stated that during the

process, it had appeared to be focused beyond the 16 homes, and today he had heard that DeAngelo and Bob Young had the front-run in terms of competition and had an upside advantage in regard to the other 100 lots that the City owned. He felt that was not fair. He stated that the process had only mentioned 16 homes. He stated that it had been stressed today about buyers seeing models and having a "model row," but they would only have a choice between the two developers.

Commissioner Moore stated that seeing models did not stop the developer from doing what DeAngelo had done. He stated that Renee Lepine was also doing the same thing in the northwest quadrant. He continued stating that he had stressed that having various models would give them the opportunity of

having a "model row." He emphasized that the RFP had stated that lots were available and the model homes would not be limited just to the 16 lots.

Charlie Ladd, CCB, stated that when the Board decided how to award this project, he asked if they could stipulate the fact as to whether the models could be sold, or whether they would be held for a specific amount of time for prospective buyers to view. He felt they needed to make that clear. Commissioner Moore stated it was clear to him and had suggested that the models be completed and furnished so prospective buyers could see how to design their future homes. Mr. Ladd stated their plan was to use the model homes as sales vehicles for a certain period of time, but that time needed to be delineated.

Mr. Hernandez stated that models were built to excite people and give them a choice. He felt it was important to understand that they were attempting to rejuvenate a neighborhood and to do that they needed people living there. He stated that his former boss had said: "If you build more than one model for every 30 or 40 houses, than you did not understand the buyer." He stated his attitude was that building a model was a good thing and gave people a choice, but you needed to start getting people living in the other lots.

Willie McNair stated that the RFP had asked for a model. He stated during their experience in building, they discovered there was a need for models but how could they use them. He stated there were buyers looking for affordable housing and sometimes they needed to sell the models so someone could have a home. He suggested the models be used for a short period of time for the public to view.

Mayor Naugle stated that he did not think it was realistic for the homes to be built as models for two reasons. One reason was that they would be tying up capital, and the other reason was that the neighborhood would not want empty homes sitting in the community. He stated that in the real world while the house was under contract, the purchaser would get a chance to decide what features and materials they wanted in their homes.

Commissioner Moore stated he realized everyone had their own opinion, but talking about a model that exists with no one getting an opportunity to use it or having the right to choose what is in it, was irrelevant when there were 100 lots sitting with no development on them. He stated he could agree with the comments as to how long the models should sit empty. He reiterated that he wanted to find developers who would not look upon this property as vast wasteland, and would be stimulated to construct developments. He continued stating that for 18 years in the northwest quadrant he had been hearing that the citizens wanted single-family homes of quality. He believed the time line was not as important regarding the models, as having the opportunity for the individuals to have a selection.

Mayor Naugle asked what time line had been given in the RFP regarding the models. Commissioner Moore stated a time line was not mentioned.

Commissioner Trantalis asked if Commissioner Moore would be amenable in the lots being split 8 for each developer, and a minimum of 4 models being built by each developer. Also, that the actual house for

the model could change from lot to lot in case someone wanted to purchase a model home. Commissioner Moore agreed, but stated what concerned him was that there were few opportunities in the northwest quadrant where there could be 16 lots available side-by-side. He stated if he was an individual buying one of the homes, he would hold out and purchase the model because it would have appreciated value with other homes around it.

Faye Outlaw clarified that models could not be built on the 5 City-owned properties and they had been challenged with that fact from the beginning. She explained that Federal regulations prohibited them from building model homes on those lots. She reiterated that they would not be able to split the homes 8 and 8 and build model homes.

Commissioner Moore stated that the answer was that each developer would get 5 lots, and they had to have a home which met the price point of the Community Development (HUD) guidelines for one of the models, and then the prospective buyer could select one of the 5 lots if they met the income requirements. Then, there would still be competition between the developers.

Commissioner Hutchinson asked who had chosen the Selection Committee. Ms. Jackson explained there had been a discussion between the Community Development Department and the Director of the CRA, who then approached the Advisory Board with its recommendations. She explained they wanted to make sure there was representation from within the community such as Front Porch, CRA, and Community Development staff. She explained this discussion had taken place for two years and she would review the minutes.

Commissioner Hutchinson stated that one company had scored 95, and she asked why the project was being split between two developers. She stated she agreed with Mr. Hernandez that the company had scored high, thereby meeting all the requirements of the RFP. She felt that competition was healthy and it would give the community an opportunity to choose how to spend its money, but she felt this developer had scored very high. She felt they needed to go back and follow the process.

Commissioner Moore stated that the RFP had said one or more developers could be selected. He reiterated it had not said that because one group had scored high, that no one else would be selected.

Commissioner Hutchinson stated it was her understanding that the Selection Committee ranked this developer the highest and they were to get the entire project, but then the Advisory Board changed the recommendation.

Ms. Jackson stated that a lot of discussion had been held regarding the RFP and if you read it two things were very clear. One was that the RFP talked about 16 lots some owned by the City with restrictions and others owned by the CRA, but it had repeatedly stated in the document and in the newspapers ads that there were at least 16 lots and those lots could be increased. She explained that the Advisory Board focused more on the fact that the lots could extend beyond the 16 and that was how the discussions proceeded. She stated that both had complied with the process. She further stated that they had left it up to the proposers to read and determine if they wanted to do one model or more. She continued stating it was up to the Selection Committee to decide if there was to be one contractor or more.

Commissioner Hutchinson clarified that they had known from the beginning that there would be 16 homes, and possibly more. Ms. Jackson confirmed. She further stated that the Selection Committee had used numbers and when those numbers were totaled, ultimately someone would come out with a higher score.

Commissioner Teel stated it was great to have a "model row," and greater when they were furnished, but

there was a cost involved. She asked if DeAngelo Development was in a financial position to have a large number of sample homes and not be able to sell them until the release period expired. She further asked if the RFP had been designed for 16 model homes. She felt that was a different element being discussed. She continued stating they could possibly also look at other building sites and have those homes available for the buyers.

Ms. Jackson clarified that any lots owned by the City could not be models. She explained that normally the CRA did not acquire vacant lots, but they did in this case. She stated there had been no discussion regarding a set amount of model homes, and they had left those numbers opened for the developers.

Commissioner Moore asked if DeAngelo Development could financially carry the model homes. Mr. McNair stated they had planned on doing one model that they would keep opened, but stated they had

people approaching them already for a home. He explained they could build a large number of homes and keep them on the market for 6-8 months and pay the interest on the money and that was not a problem. Commissioner Moore asked if a buyer chose a home could it be built on a different lot. Mr. McNair confirmed and stated if they built the models would the other lots be available immediately for them to begin building on. Commissioner Moore confirmed.

Ms. Outlaw stated they could only do that if the models fell within the price range.

Brenda Kelley explained she had used some general rough numbers and one of the proposers today had stated they could build a home for \$93,000 and the square footage would be 1250. Therefore, that would total about \$75 per square foot for DeAngelo Construction. She explained that if you looked at the requirements in the RFP the square footage would total \$88 per square foot.

Commissioner Teel asked where the profit margin was going, and stated it did not appear there was a large profit from these homes since they were very value-engineered.

Commissioner Trantalis asked for some further clarification regarding why one developer had received a high rating but were given less lots to build on.

Mr. Brown stated that the ratings were thoroughly discussed and were in the minutes from the meeting and how and why the ratings had been created. He stated other factors were involved and the due diligence after the Selection Committee had held their meeting indicated 4 cities would not work with DeAngelo Construction for various reasons. He continued stating that the Board had to deal with many factors the Selection Committee did not have to deal with during their process. Mr. Brown further stated that he felt the split of 8-8 would not necessarily affect the competition of the developers. He stated it was important for them to consider all factors so a broader picture could be presented.

Commissioner Trantalis asked if the lots were split 8-8 would it still be in accordance with the recommendation of the Advisory Board. Mr. Brown confirmed and felt it would not be out of line with its recommendation. He stated they wanted to get this project moving as quickly as possible. Commissioner Trantalis asked if it would be possible to have 3 lots set aside with models for the prospective buyers to see. Mr. Brown felt this would be consistent with the Board's recommendation.

Commissioner Hutchinson stated their goal was to build 16 homes, and she did not doubt that models were a good thing, but she wanted bodies in the homes and not have brand new homes sitting vacant. She asked that they approve a minimal number of model homes. Ms. Outlaw stated it was difficult for her to say how many models there would be at this time.

Mayor Naugle suggested that a compromise be reached and 12 homes be given to DeAngelo Development, Inc. and 4 to CCB/Broward Barron. He felt the project should be weighted in favor of the winning bidder.

Commissioner Moore stated he did not want to build on 16 lots, but wanted to build on 100 lots. He hoped they could utilize the 16 lots and did not want this done so the developer could make a quick profit. He explained he was looking to have a developer who had gotten the lot free and built a model home, and thereby, would have the opportunity to deal with the remaining 100 lots which would set them apart from the others. He felt there should be a thought process of simultaneous action taking place. He believed that staff needed to go out and review the 100 lots.

Mayor Naugle stated that the lots could not be models according to Ms. Outlaw and had price caps. He further stated it might have been a noble goal to offer models at the "11th hour," but practically this was not possible.

Commissioner Moore remarked he was getting frustrated because this was not the "11th hour." He asked who had bought the concerned lots. Ms. Outlaw stated that initially the lots had been purchased with Community Development funds. Commissioner Moore stated after the property had been bought with block grant funds, they realized it did not make sense because it limited the type of development which could take place on those lots. Therefore, CRA money had been used to buy those lots, and he asked if there would be any difference regarding the 100 remaining lots. He believed there would be no difference. He reiterated that from the beginning he spoke of this as a "model row home" project.

Mayor Naugle remarked that if they were going to use the models for the remaining 100 lots, then they would not be marketable properties. Commissioner Trantalis remarked they would only be unmarketable for a certain period of time.

Motion made by Commissioner Moore that the 10 lots be split between the two developers, 5 and 5, and each developer build a model which would meet the income guidelines for the lots in the inventory, as well as having options given to the developer since they had made this initial investment for a first right of refusal for a certain number of the 100 lots. He believed this would be a way of getting the houses built and the process off the ground. He stated his concern was so there would be competition.

Commissioner Trantalis clarified that instead of the original proposal of giving 8 and 8 to each of the developers, it was being proposed they begin with 5 and 5 based on the lots available in order to create a "model row," and the models be kept for a certain specific time period.

Commissioner Moore stated that each developer needed to build a price home which met the affordable issue.

Commissioner Hutchinson stated that developers were led to believe there would be at least 16 homes according to the RFP, and she assumed the developers had calculated their figures in connection with 16 homes and not 5. She asked if they could "bait and switch."

The City Attorney stated he did not believe it was a "bait and switch", and felt that the RFP did anticipate that more than one developer could be selected.

Commissioner Hutchinson stated that possibly she didn't have all the necessary information in order for her to make a decision.

The City Attorney referred everyone to Exhibit "A" on page 4 under "Selection," where it stated they would select the one(s) which best met its needs. He stated further that on page 2 under "CRA Responsibility"

under the third bullet point, it stated: "Contractors are encouraged to construct model home(s)...." He stated that this had been part of the subjective criteria.

Mayor Naugle agreed that the process should be respected and the RFP stated that the financing could be a private lender for eligible home buyers. The RFP stated the homes could be sold while under construction. Now, it was being changed to say the homes should be held off the market for a certain period of time. He suggested that possibly they should come up with another place for model homes. He felt they should not change the concept of this RFP at the "11th hour."

Motion made by Commissioner Moore that they deal with the 5 lots and each developer construct one model home which would meet the criteria or the affordability issue. The other 4 lots be developed by each developer and the models sold 6 months after the completion of the project.

Commissioner Moore explained they would be looking at 5 models from each developer. Mayor Naugle suggested that only one model be built by each developer. Commissioner Moore stated that part of his motion would be that they look at a certain percentage of the lots available and allow them to develop on

them. Mayor Naugle stated that would be changing the RFP. Commissioner Moore disagreed and explained it would be stating what was going to be done.

Bud Bentley, Assistant City Manager, asked if the City had anticipated selling any of the 100 lots they owned to the CRA, and did the CRA have available funds to buy those lots. He asked further if a policy had been developed regarding such a transfer.

Ms. Jackson stated that the CRA did not have funds allocated in the budget to purchase additional lots. She explained if they were to acquire additional lots as part of the inventory, they would have to buy the lots out and a budget amendment would have to be done. At this point, she explained there had been no in-depth conversation from either Community Development or the CRA regarding what quantity of the 100 lots would be marketable and what would be affordable. Ms. Jackson reiterated that until the homes were built and consumers were available, no one would know what the home request would be.

Commissioner Teel seconded Commissioner Moore's motion.

Commissioner Teel stated her concern was that another developer would come along and from the 100 lots would state they could build a home immediately for a prospective buyer, thereby hurting the two ranking bidders. She felt they needed to go one step further and see if the remaining lots should be reserved for the developers.

Commissioner Moore felt the model would sell the home, and the buyer would stay with the developer who had originally built the model.

Commissioner Trantalis asked if it would be a problem if the people who bought the homes would decide to go with one developer more than the other. Commissioner Moore stated that was not a problem and the market would make that decision. He clarified that the developers needed to be given a chance to develop a "model row," thereby removing the blight, but they needed to make sure that a large portion of the developer's money would not be tied up in connection with the models. Commissioner Trantalis suggested that only 2 lots be built by each developer as models. He further stated that the market would determine how many models would be out there.

Commissioner Moore stated he was concerned that there were only 16 lots, and 10 of them with a market value. If each developer built two models, there would be 3 lots left which was land that did not cost the

developer. He was concerned that the developers had to deal with getting an approved purchaser for the remaining lots. He felt the developers could then walk away. Commissioner Hutchinson stated they would not walk away from their models. Mayor Naugle remarked they would still have nice homes for the area.

Commissioner Trantalis asked if Commissioner Moore would accept the amendment to modify the number of model homes. Commissioner Moore suggested they do 2 market rate homes for models, along with one affordable model.

The motion was restated as follows:

Motion made by Commissioner Moore and seconded by Commissioner Teel to approve 5 lots each out of the 16 lots, and 5 lots would be on the "model row street." Each developer would build 3 model homes, 2 of which would be market rate, and 1 would be affordable. The developer would then get preference on the next 6 lots on the basis of finding prospective buyers, and the models would not have to be completed before finding the buyers.

Commissioner Trantalis asked if the Advisory Board found the proposed motion consistent with the philosophy of the Board's discussion. Mr. Brown confirmed.

Mayor Naugle asked if staff had any objections to the proposal being made. Ms. Jackson stated it was workable.

Roll call showed: YEAS: Commissioners Teel, Trantalis, and Moore. NAYS: Commissioner Hutchinson and Mayor Naugle. Motion carried 3-2.

ACTION: Approved as discussed.

Meeting Recessed for a 3-Minute Break at 5:00 p.m.

Meeting Reconvened at 5:05 p.m.

Construction Contract Between Sweeting Associates, LLC and Engineer Control Systems Corp.

Kim Jackson, CRA Director, stated that Helen Gray would give the background for the proposed motion.

Helen Gray, CRA Engineering Design Manager, stated that the Development Agreement for Sweeting Associates, which was Bank of America and New Visions Communities, called for construction of infrastructure in that subdivision. Plans had been prepared and a consultant had been chosen with the CCNA process. She explained that the back-up materials included the full bid tab which had been prepared by the Engineering Department. She stated that they were asking for the Board's concurrence of the selection of the low bidder.

Commissioner Moore returned to the meeting at approximately 5:06 p.m.

Mayor Naugle asked how many lots had been acquired. He believed the developer had agreed to purchase 50 lots. Ms. Jackson stated they had agreed to build up to 50 homes and she clarified that a portion of those were townhomes. She believed that there were approximately 32 homes to be built and a majority were single-family dwellings, and the townhomes made up the bulk. She stated there were another 5-6 lots ready for construction. She continued stating that they were still in search of vacant lots.

Ms. Gray stated there was an overlap with the Lennar/Bob Young Builders which were 11 homes along

the River. Mayor Naugle asked if those homes had been sold as of this time. Ms. Jackson believed they had not yet been sold, but there were interested buyers.

Commissioner Trantalis returned to the meeting at approximately 5:07 p.m.

Motion made by Commissioner Hutchinson and seconded by Commissioner Teel to approve the agreement between the CRA and Sweeting Associates, LLC for the construction of infrastructure.

Roll call showed: YEAS: Commissioners Trantalis, Moore, Hutchinson, Teel, and Mayor Naugle. NAYS: None. Motion carried 5-0.

ACTION: Approved.

Konover/Agreement for Disposition and Development of Property between CRA and Broward Barron, Inc. - (1) First Amendment to Development Agreement; and (2) Concept Site Plan

Mayor Naugle stated the Board was not being asked to act on this item and this was strictly for informational purposes. He explained the motion was to approve the First Amendment. Ms. Jackson confirmed.

Mayor Naugle asked what was the remuneration in regard to reimbursement of the City.

The City Attorney stated that the proposed exchange was that the City owed the developer \$400,000, and the City was owed \$6 Million. They agreed to give the \$400,000 credit which was being put up as earnest money so if it did not close after the zoning was in place, then the \$400,000 would be forfeited along with the \$150,000 deposit. The First Amendment did two major things. It provided that the \$400,000 went hard with the \$150,000, and was anticipated to be a credit towards the purchase price.

The City Attorney stated that the developer had indicated they had a problem obtaining financing because the bank would not loan the money since the property could not be used for the purpose for which the developer was buying it due to being zoned improperly. They are coming back and saying the bank was not as trusting as they were for the City to rezone the property in a timely fashion. The bank would loan the money once the rezoning took place. He explained the contract did not anticipate on the waiting for the zoning to close.

Mayor Naugle asked if the City was going to be compensated in any way for their loss of the use of the \$6 Million for the additional 6 months because of their inability to perform. The City Manager replied the City would not be compensated.

Mayor Naugle asked if there was \$5.6 Million additional in the City's treasury, what type of return could be gotten for a 6-month period.

Terry Sharp, Finance Director, stated they could probably receive no more than 2% on an annual basis. Mayor Naugle asked what the amount would be on \$5.6 Million. Mr. Sharp stated it would be approximately \$56,000.

Commissioner Moore asked what was occurring in this development and what process had been used to stimulate development in an area where no interest had been shown in the past. He stated they had sold this concept as a partnership, and the partnership was looking for a developer to take the risk, and there was a "stumble" in the road in connection with the rezoning. He reiterated that the CRA and the City

Attorney had stated that they had the opportunity to forfeit the \$400,000 if they did not meet the date, and he felt this was worthy of discussion. He felt the site would be much more developable than what it had been previously. He stated this development needed to move forward.

Mayor Naugle stated that other parties were interested in this development, and possibly if they had chosen one which had more financial capacity they could have proceeded.

Commissioner Trantalis asked about the status of the zoning application for change. Ms. Jackson stated it had not yet been filed, and if this motion was approved at today's meeting, then either the CRA or the City would file on behalf of the developer.

Commissioner Hutchinson asked if they were pushing this to February, 2004. Ms. Jackson stated that the zoning could be done in about 90 days if the City was the applicant. She stated they were now isolating the zoning, and not tying in the other regulatory changes.

Commissioner Trantalis asked if there was, in writing, a loan commitment that indicated the loan would be approved subject to the zoning. He asked if the bank had made any type of commitment. Ms. Jackson stated that the developer would have to answer that question.

George Rahol, developer, stated that the bank had not presented this to its loan committee at this time due to the rezoning issue.

Commissioner Trantalis asked if this was the only outstanding major contingency that stood in the way of getting a commitment. Mr. Rahol agreed.

Mayor Naugle asked how the reduction in the development would affect the City's financial position with the CRA and the bonds they had planned on selling. He stated that Phase I stated there would be 420,000 sq. ft. of Class "A" office space, and now the site plan reduced the number to 316,000 sq. ft., thereby a 25% reduction was proposed for Phase I. The assessed value and TIF would therefore be 25% less.

Ms. Jackson stated she was under the impression that the development agreement called for 285,000 sq. ft. Mayor Naugle remarked he was not saying it didn't qualify, but it was a major reduction of 25%. Ms. Jackson stated that the TIF from this project was never calculated in the \$45 Million CRA Finance Plan, and technically, did not have any affect on the expense or revenue. She stated it would not be included until the project was further along.

The City Attorney explained that one of their largest concerns was tripping the DRI threshold on this particular project which was the major driving force for the reduction in the square footage of Phase I. Mayor Naugle stated it was a change.

Commissioner Moore stated he was concerned about this as well, but even if they had gone with another developer, they did not know what problems that developer would have had. He stated that due to the delay of this process, property values were rising tremendously and it was due to the fact that the community realized what was on paper was becoming a reality. He further stated that the location of the African-American Research Library had helped the area.

Charlie Ladd, Broward Barron, Inc., stated that the initial concept plan encompassed 25 acres. He stated that 18 acres were to be sold by the City, and 7 ½ acres were in the County. The Development Agreement had been drafted with the CRA for only the 18 acres and that was one of the reasons for the reduction in square footage. He stated they intended to expand that project over time and purchase

additional land.

Mayor Naugle asked if they controlled the County lands as of this time. Mr. Ladd stated they were working to purchase the lands. Mayor Naugle asked what improvements would be there and how did it relate to the site plan. Mr. Ladd proceeded to show the original site plan to the Board. He stated they were working to find a substitute site for the Juvenile Detention Center and a site had been identified in Pompano which would consist of an assemblage of two parcels. He explained there were letters of intent and they were working with the City of Pompano to determine if the property could be rezoned and a positive response had been received. He explained they also had a Retainer Agreement prepared for the hiring of Jim Blosser. He stated that the pieces to make the regional site were complex, but it was worth it.

Motion made by Commissioner Moore and seconded by Commissioner Hutchinson to approve the First Amendment to the Agreement for Disposition and Development of property between the Fort Lauderdale CRA and Broward Barron, Inc.

Commissioner Moore clarified that they were attempting to assemble the additional property. Mr. Ladd confirmed. Commissioner Moore asked if a certain amount of funds had been dedicated to that assemblage. Mr. Ladd stated they had funds dedicated to the buying of land. Commissioner Moore stated he liked what he saw, but asked why the two buildings in the rear had been selected at that height. Mr. Ladd proceeded to show some renderings and explain the proposed site and explained it was due to the water view. Commissioner Moore asked what impact this project would have to the residences across the waterway. Mr. Ladd stated there were tall trees in the back and the project would be about 1,000' across

the way.

Roll call showed: YEAS: Commissioners Trantalis, Moore, Hutchinson, Teel, and Mayor Naugle.

ACTION: Approved.

CRA Director's Project Briefing

Mayor Naugle stated that the project briefing would be done at the next CRA meeting. Ms. Jackson agreed.

ACTION: Deferred to next CRA meeting.

There being no further business to come before the CRA, the meeting was adjourned at approximately 5:35 p.m.